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Address before the
NATIONAL RIVERS AND HARBORS CONGRESS
by
HON. FREDERICK W. DONNELLY,
Mayor of Trenton,

at Washington, D. C., on Dec. 5th, 1912.

Mr. President, Ladies and Gentlemen:—

The power of a public speaker before an organization of such scope and influence, as the National Rivers and Harbors Congress, is that of SUGGESTION and REPETITION; the duty of a speaker addressing you on any subject is to make you SEE, UNDERSTAND and to BELIEVE in the policies that this Congress commends to the sober judgment and consideration of our fellow countrymen.

Therefore, I crave your indulgence in speaking upon the subject assigned me, namely "New Jersey's Relation to Inland Waterways", exclusive of the question of terminals, if much is said by me, which may be in the nature of repeating what has been previously said, and if nothing is suggested by me, as new or novel, in view of the volumes already written and spoken upon this question, my earnest purpose will be to enable you to see, to understand, and to believe in waterway development, with hope of enlisting your labors to make our legislators, state and national, to SEE, to UNDERSTAND and to BELIEVE in the wisdom, the value and progressive development of all our waterways, to the benefit and prosperity of all our people, of all sections and for all the coming ages.

The statesmanship of the first seven decades of the Union were occupied in working out what were the best theories of government to govern a free, a self governing, a liberty loving and a democratic people. Many of those decades

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passed in academic discussion, political theorizing, and philosophic speculation, leaving the individual citizen in his new found liberty, at peace, to work out and seek for himself the blessings of prosperity.

We are living in a new era. The statesman of this and the coming decades must be of the type of a constructive statesman, working our practical problems that will make life easier, freer, sweeter and nobler for the teeming millions which make up the great American people.

The people are the bearers of the burdens of the government, they now feel that if our nation is to have a full and freer life, there must be a fairer and more just distribution of the rewards for the burdens of government borne and that methods must be devised by which citizens shall be insured against **MONOPOLY** of **OPPORTUNITY**.

For years the American merchant elected to work out his own destiny. He entered as an individual the broad field of unlimited competition, exposed himself to all the hazards of the trade, without the protection of co-operation, and co-ordination with his particular line of trade. The fulness of experience taught the merchant that he soon reached his limitations by this system of individual effort. From this necessity were born trade associations, chambers of commerce and boards of trade which have become state and national in scope, giving organized protection and stability to trade that was otherwise exposed to unnecessary risk and hazard. What was true of commercial interests, likewise has halted and retarded the industrial interests of the nation. Towns, cities, sections and even states have elected to pursue their policies of development without reference to the mutually beneficial results from co-operating, with an organized definite plan with other communities, localities and states. With a realization of its utter futility has come the abandonment of single, unorganized, individual effort, which was blind, selfish and heedless of the rights of others or the benefits of the future.

It is only through such an organization as the National Rivers and Harbors Congress, and other kindred bodies, that a national articulated system of developed waterways can be obtained.

Foreigners have criticized us freely, whether justly or unjustly, as to our indifference in the past to the systematic and progressive development of waterways with plans

which would distribute work and cost over a series of years.

Up to the year 1860 the line of interstate development ran North and South. Communication, traffic and development were from the North to the South and they moved along the rivers and waterways provided by Nature as the natural channels for the activity of a nation. The railway systems built and in operation at that period also ran North and South. The unhappy Brother's War arrested the national development running North and South, and deflected it to the West, so that until recent years, the nation's wealth, labor and brains have been expended in a development that ran from the East to the West. It was during this period of arrested development between the North and South, that all the great trans-continental railroads were constructed and put into practical operation.

Following as results of this wonderful railroad, industrial and commercial development of the nation running East and West, have been conservation, drainage, irrigation, flood prevention, reforestation, storage reservoirs and reclamation work which have guaranteed the West against any grave economic problems, seriously effecting its population of the future.

The construction of many of these trans-continental railroads was made possible only by the substantial assistance given them by the Federal Government in the nature of land grants and bond aids.

This marvelous railroad construction and development between the East and West has resulted in the greater part of the freight traffic of the United States being carried by artificial means of transportation, that is by railroads rather than by water routes. The forces of national development are returning to the natural channels they occupied before the Civil War and in that readjustment to natural conditions is the guarantee that our Inland and Intra-coastal waterways will be systematically and comprehensively developed at a cost to all the people for all the people.

Three-fifths of the surface of the earth is covered with water. Water is the greatest source of transmission and transportation known to nature. The circulation of the fluids in the human body feeds the tissues. The circulation of water means weather, climate, commerce and all vegetable and animal life. The flow of one thing into another is what constitutes all life and the chief agent in this

eternal flow is water. Water means action. Nature utilizes water as a natural means of transportation. Water is always going somewhere or coming back, and if you think it is standing still it is because you do not see that it is being absorbed into the atmosphere.

The American people are fair. Grim war deflected the arteries of commerce and communication from their natural channels, which were principally waterways running from a northerly to a southern direction, as the Mississippi and its tributaries, independent river systems and the seaboard waters. Daring capital with governmental aid supplied artificial arteries of trade, the railroads, which run mostly east and west.

The American people were willing that this invested capital should have and receive a fair and reasonable return on the hazard of investment and the energy of genius. But these trans-continental roads were built with the financial aid of the people and were guarded during the progress of construction by Federal troops. With and by the aid of these railroads and the capital they represent the Great West is not only supplied with all present and future needs of transportation, but has received extensive and intelligent development along other lines that fortifies that section against the problems of the future, and insures to the West the easy and safe handling of a dense population for the next hundred years. The section east of the Mississippi, where the bulk of the national wealth lies, has been taxed to supply the cost of this national development. Railroad interests are now receiving a fair return for the wealth so invested. The East and when I say the East, I mean collectively in that term the North and the South, is now demanding that the national assistance and aid be given us for the development of these great national arteries of trade, the waterways, which by nature offered free and cheap means of communication between the North and South. By deepening and linking up the inland waterways and the intracoastal system, there will be a restoration of that great volume of trade which was enjoyed between the North and South, before it was deflected by artificial means of transportation—the railroads.

The people not only are demanding that waterways be deepened and linked up as cheap and easy means of transportation for the enormous tonnage that this nation is producing but that such development shall be unem-

barrassed from railway hostility and that it shall be free from railroad domination when such waterway development is completed.

The Interstate Commerce Act should be so amended as to give the Interstate Commerce Commission the jurisdiction over the Inland and Intracoastal Waterways and the Coastwise shipping with full and free powers to bear and determine all questions that arise therefrom.

The Hepburn Bill gave the Interstate Commerce Commission the jurisdiction to decide and determine if a present or a proposed freight rate was reasonable or unreasonable and to prevent one common freight center from being discriminated against in favor of another by a difference in freight rates and the adequacy of transportation facilities furnished.

The Cummins' Bill, recently made law, placed upon the railroads the burden of proof and required them to show that a proposed increase in freight rates was reasonable before same would be allowed by the Interstate Commerce Commission. None deny that this burden of proof is a just one and should be borne by the railroads rather than by the individual shipper.

In my humble judgment, when the jurisdiction of Inland and Coastwise shipping are given to the Interstate Commerce Commission, if a railroad seeks to obtain control of a privately owned canal or waterway, the burden of proof should be placed upon such railroad, of setting forth before the Interstate Commerce Commission that such purchase and control are for the purpose of increasing the facilities of traffic and not as the sole means of paralyzing such a canal or enforcing stagnation in canal moved tonnage. The railroad would thus be on record as to its intentions and the Commission could enforce the railroad promises into carried out policies.

The Interstate Commerce Commission should also be empowered with jurisdiction as will require all railroad lines to transfer to water lines, to issue through bills of lading and to afford the prompt use of all their loading and transfer facilities to any freight which shippers may desire to have consigned over lines of mixed railroad and water routes. No discrimination against water borne tonnage should be allowed to exist. The Commission should look into the influence of railroads over water terminals. Ownership and control of water terminals are of particular im-

portance, and especially so when they lie in interests that antagonize or rival water lines as is sometimes the case with railroads. Water terminals are so affected with a public interest that their greatest and freest utility to the shipping public suggests the necessity of some degree of public control. Facilities for storing and handling freight however complete cannot meet all the needs of traffic if they are denied to a portion of the shipping public or if unreasonable conditions or charges are imposed for this use.

Fortunately some of the ablest of our railroad men are receding from their former position of open hostility to waterway development. The late E. H. Harriman in an address at Kansas City, Missouri, advocated the canalization of the lower Missouri River. Mr. Harriman believed that such improvements would be traffic feeders to the rail systems and could handle advantageously bulky and slow moving freight that the railroads were then carrying at commodity rates, in which there was little or no profit. The correctness of this statement of Mr. Harriman, made several years ago, is now strikingly made evident by the increase of the cost of coal, due to a shortage in supply by reason of the lack of cars and transportation facilities from the mines to the market. Many railroad men if not now friendly to the waterway movement, are at least neutral. Men of keen judgment such as Harriman, Hill, Harahan, Yoakum, and Bessler are seeing wonderful possibilities in waterways as developers of rail tonnage.

The judgment of these giants of the railroad world is justified by recent reports from Germany. "The German development of the system of waterway routes of trade and travel is being pushed with the same decision, method, persistence and expedition which marks that country's growth in industry, Commerce and naval power. It is true that the empire is gridironed with some 36,000 miles of railroad of which more than nine-tenths are the property of the government. Yet that same government is constructing these waterways, every one of which practically parallels and competes with one of its own railroads. The explanation is given that with all the industrial efficiencies of the empire it is impossible to build and equip railroads enough to meet the demand for transportation. Besides it is realized that a large part of the traffic can be carried on water more advantageously than on land.

"One of the latest undertakings is the deepening of the

Rhine and some of its tributaries, as far as Cologne, so as to give access to these ports for larger steamships than those which now frequent them. Although Cologne is as far from the sea as is Albany, N. Y., it is an important seaport, its waterfront being thronged not merely with barges and river steamboats but with ocean going steamships bound to and from foreign parts. The present purpose is to make Cologne accessible to all but the very largest ships, and to make the entire river clear to the Swiss frontier, navigable by ocean going steamers.

"The other German rivers are to be also deepened so that the far inland countries of the German Empire will be endowed with seaports and practically a frontage on the German Ocean.

"For the reassurance of those who may question the economic wisdom of her course and whether it is desirable for us to keep pace with Germany in the development of her inland Commerce, it may be noted as a sample result that the Dortmund-Emden Canal, which was opened ten years ago through Hanover and Westphalia, is increasing its traffic at the rate of more than twenty-six per cent. a year while the railroads which it parallels have not lost, but have also increased their traffic. A few more years will see ocean steamers passing freely through the heart of the continent from the Baltic to the Black Sea, and from each of these waters to the German Ocean, while dozens of cities, hundreds of miles from tide water will be great shipping ports. It would be strange if so practical a country as Germany should establish such a system only to find that it was an unjustifiable failure. It would be stranger still if Germany were the only country in the world in which such a system could be made profitable."

The policy of railroads in killing and paralyzing waterways should cease as it is as economically harmful to the railroads as it is unjust to the people. Railroad systems paralleling each other have increased and not diminished traffic. Railroad traffic is congested and requires too much time for delivery. Bulky, slow moving, and the commodity freights, as coal, ores, grains, etc., could be moved more advantageously by water than by rail.

With the coming of waterway development will be a readjustment of railroad policy. There will be a localizing of the railroad interests and activity. The roads are now seeking through traffic from coast to coast and from the

lakes to the gulf, rather than stimulating and increasing the local traffic which takes a higher rate by reason of the short haul tariff.

The railroads with their present existing trackage, equipment and terminal facilities could handle double the present amount of local traffic. Towns and cities, by the localization of railroad interests would be made something more than mere depots, passing points, and yards on the system. Railway officials now are saying that the railway managements do not understand the people and the people do not understand the railroads, and they express a desire to see a co-operation and co-ordination between railroads and municipalities for their mutual benefit.

Recently in my own city of Trenton, at a conference between railroad officials and the municipal authorities, the railway people admitted that they had overlooked and slighted the interests of Trenton, and their own interests as well, not through deliberate intent but by reason of inattention and lack of knowledge as to local conditions. The localization of railway attention and effort would build up in manufactories all the waste lands between Trenton and New York which will increase their traffic amazingly.

Improved waterways if properly utilized will develop local conditions and should be addressed to that purpose rather than to the carrying of long haul traffic. To attain a maximum efficiency waterways should be taken to industrial centers rather than confined to commercial centers.

The Commissioner of Corporations, the Hon. Herbert Knox Smith, ably sets forth this distinction in his 1910 report.

"An industrial harbor best serves its purpose when it extends far inland and spreads out over a large area of the city, as is the case where a river with navigable branches and artificial slips enables vessels to reach many widely scattered factories bringing cargoes of raw materials and fuel and carrying away their finished products. Such an arrangement permits warehouses to be established on water frontage as centers of local distribution to inland points.

"A commercial harbor, on the other hand, should concentrate the greatest possible amount of business in a relatively small area at a definite point on the water front where there is room for both wharves and railroad freight terminals in juxtaposition. Thus the most expeditious and economical handling of freight is made practicable.

"The industrial function deals mainly with local industries and local distribution. It is this function that especially serves the interests of the city in which the harbor lies. The commercial function, on the other hand, deals mainly with through freight, coming from or going to the interior, and merely passing between rail and water carrier at such particular point."

America was not discovered as the result of an avowed voyage of pure discovery and conquest but Columbus was seeking a new and a shorter water route between Europe to India and China which would afford a cheaper and quicker means of communication of trade and travel. The best available water routes were a question of grave consideration in that age as they are to-day.

Disraeli guaranteed to Britain the control of the over sea shipping for ages when he secured the Suez Canal to British ownership and control.

One of the duties imposed upon the Federal Government is to provide for the national defense. This has generally been construed to mean the duty of providing adequate land and naval forces, and the construction and maintenance of proper sea coast defenses. The best experts admit that the Federal Government has amply provided for these means of protecting national life. The ports and sea coast cities have been rendered impregnable at an efficient and economical cost. These millions and labors have been expended to guarantee the common weal against the hazards of war. The construction of the constitutional duty of providing for the common defense has been confined to military protection guarding the nation against attack and invasion. In my humble opinion this duty and power imposed by the constitution upon the Federal Government, should receive a broader construction and to be interpreted to mean to also provide for the common defence against the hazards of peace. Peace hath her risks no less than war. It is a constitutional duty that the government should afford as cheap a food supply as possible.

If the blessings of liberty and prosperity are to be secured to ourselves and our posterity, it is necessary that the food supply be made as cheap as possible and as accessible as man and art can make. The cheapness of a present food supply, and the adequacy of a future supply are problems that should commend themselves to the sober judgment of our elder statesmen.

If the resources of our Federal Government have made our fortifications perfect against attack or capture, these same agencies of government should be directed against the forces of unrest, discontent and repression within the body politic. Nothing would relieve the present strictures of a high and scarce food supply as the systematic development of our waterways which would provide ample and easy means of production, accumulation, assembling, warehousing and distributing the nation's wants of present and future daily life.

I am opposed to the policy of repression and procrastination in waterway development. It costs over two hundred million a year to defray the municipal expenses of New York City; the State of New York is expending over three hundred million in linking up the lakes with the Hudson River and Long Island Sound; the Croton Aqueduct, the future supply of water to New York City is costing over two hundred millions and the Federal Government is appropriating annually over four hundred and thirty-eight million dollars for war, navy and pension purposes.

It is now proposed to issue bonds for inland and intra-coastal waterway development to the amount of five hundred millions, distributing the expenditures over ten years at fifty millions per year. What is fifty million a year to a population of one hundred million? Let us spend one dollar per capita for ten years—one hundred millions per year—on domestic and economic projects that will affect the liberty and prosperity of every man, woman and child in these United States.

My own beloved State of New Jersey has taken advance ground in this waterway development. New Jersey has put herself on record as to her intentions and has served notice of her sincerity of purpose to her sister states.

New Jersey has become, as it were, the pacemaker, among her sister states in the furtherance of waterway development. Her faith and credit are committed to the constructing of the New Jersey Ship Canal which will be the most important link of the intracoastal system. State funds have been appropriated for the preliminary surveys and purchase of the right-of-way. A large part of the survey work and the erection of permanent monuments have been completed. The next legislature will be asked for the balance of funds necessary to complete the survey of the entire route. New Jersey is doing all the preliminary

work, removing all obstacles, completing the surveys and will provide a free right-of-way, ready for the Panama Canal plant and organization to begin the actual construction.

The building of this New Jersey link, a sea level ship canal, should begin at the earliest practicable moment. It should not be necessary to wait until other links as the Chesapeake and Albermarle and the Chesapeake and Delaware Canals are completed. These three, the most important links of the entire Intracoastal system should be completed simultaneously.

Egypt constructed pyramids for the tombs of her departed Pharohs; China built the Great Walls to stem Tartar invasions; nations have vied with each other in erecting monuments to the valor of their sons on land and sea, but the construction of the New Jersey Ship Canal will be for none of these purposes. This Canal will be the connecting link that will bind the North and the South together. This will supply the cheap and easy means of communication that will restore in a measure that volume of trade which the two sections enjoyed before the war. With the passing Southward of commerce will go capital, ideas and energy. This artery of trade and travel will assist our people in the forgetting of hatreds and prejudices, which should have no place in the minds of a free people. The South is the center of a future development the like of which this country has never seen.

New Jersey is preparing the way for the making of a great industrial opportunity for the South. New Jersey is inviting her Southern sisters into a closer communion and contact and bids them to take their ancient and rightful seats in the council chambers of a nation.

No railroad man would champion the policy of a joint use of tracks for independent railway systems. The enormous tonnage of this nation could only be provided for by a duplication of rail systems. The trans-continental railroads are but the paralleling of trackage. No joint use of tracks can ever give the service that the completing and operation of independent and parallel lines would create. Therefore no railroad management should oppose a waterway, even should such waterway be a paralleling system. The waterways will be valuable auxiliaries to all rail systems. The railroads are the only interests in this country that have not used other means as by-products and auxili-

ary means for their operation. By an articulated system of national waterways, running North and South, the trans-continental rail systems will be able to tap these water freight channels instead of accepting such freight at widely scattered commercial centers as Portland, Boston, New York, Baltimore, Norfolk, Charlestown, Savannah, New Orleans and Galveston for the long haul service. With waterways there would be no necessity for the accumulation of freight in scattered commercial harbors and terminals for trans-continental consignment. The across continent railroads would cross these waterways, like a straight line drawn across the ribs of a fan, for the convenience of themselves and the great accommodation of the shipping public. This would reduce the present over long period between acceptance and delivery, thus relieving freight congestion.

The waterways must, however, remain as auxiliaries to the railroads and not as mere adjuncts. They must be free of railroad domination. Stimulated life must be given the waterways and not an enforced, artificial stagnation.

What is true of what has been said about inland waterways along the Atlantic seaboard is likewise true of the Ohio, the Mississippi, the Missouri and the Columbia River Systems.

REPORT OF THE COMMITTEE ON RESOLUTIONS
OF THE NATIONAL RIVERS AND HARBORS
CONGRESS AT ITS NINTH ANNUAL
CONVENTION.

The National Rivers and Harbors Congress now assembled in its Ninth Annual Convention, representing in its membership all sections of this country herewith gives expression to the following declarations of its purposes and policies:

FIRST—We heartily congratulate and commend the Sixty-Second Congress of the United States upon its adherence to the principle of annual river and harbor appropriations; upon its grant of immunity through the recently enacted Panama Canal Law from tolls upon ships engaged in our coastwise trade; and upon the protection to water borne commerce afforded by said law against railroad ownership or control of water lines, all of which measures this Congress has heretofore actively advocated as proper means for the continued development of transportation by water.

SECOND—We reiterate and urge our oft repeated declaration in favor of the adoption by Congress of a broad plan and policy of waterway improvement, molding to the greatest possible extent our water and rail routes into a standardized transportation system, so that the growing commerce of the country may have the full benefit and advantage of both systems of transportation; and as an essential step in that direction, we urge a continuance of the practice, now well established, of annual river and harbor appropriations, but we here reiterate our firm conviction that every consideration of economy, as well as reasonable expedition in construction demands appropriation of at least fifty millions of dollars per annum. The transcendent importance of the country's commercial development is such as to justify the issuance of bonds for waterway improvement whenever the current revenues of the Government are insufficient to admit of appropriations in such amount.

THIRD—The full fruition of improved and dependable

channels and harbors can never be realized until the following facilities are fully established:

1. A perfect through routing and pro rating system between railroads and water lines.

2. Water and rail terminals insuring ready, easy and economical transfer of freight from one to the other.

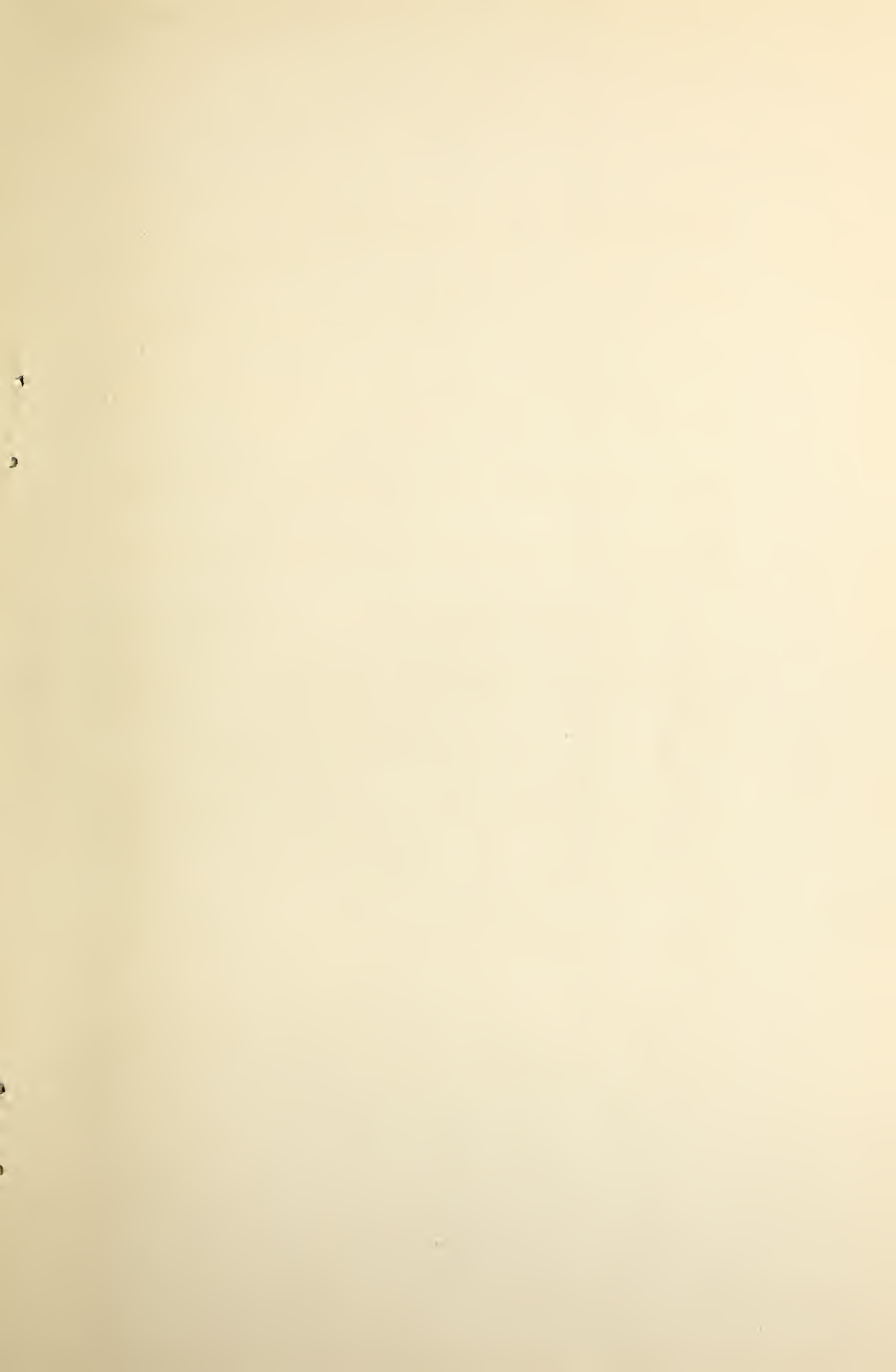
3. Liberty of the shipper to have untrammelled choice of routing shipments by all-rail, all-water, or part rail and part water lines wherever these are available.

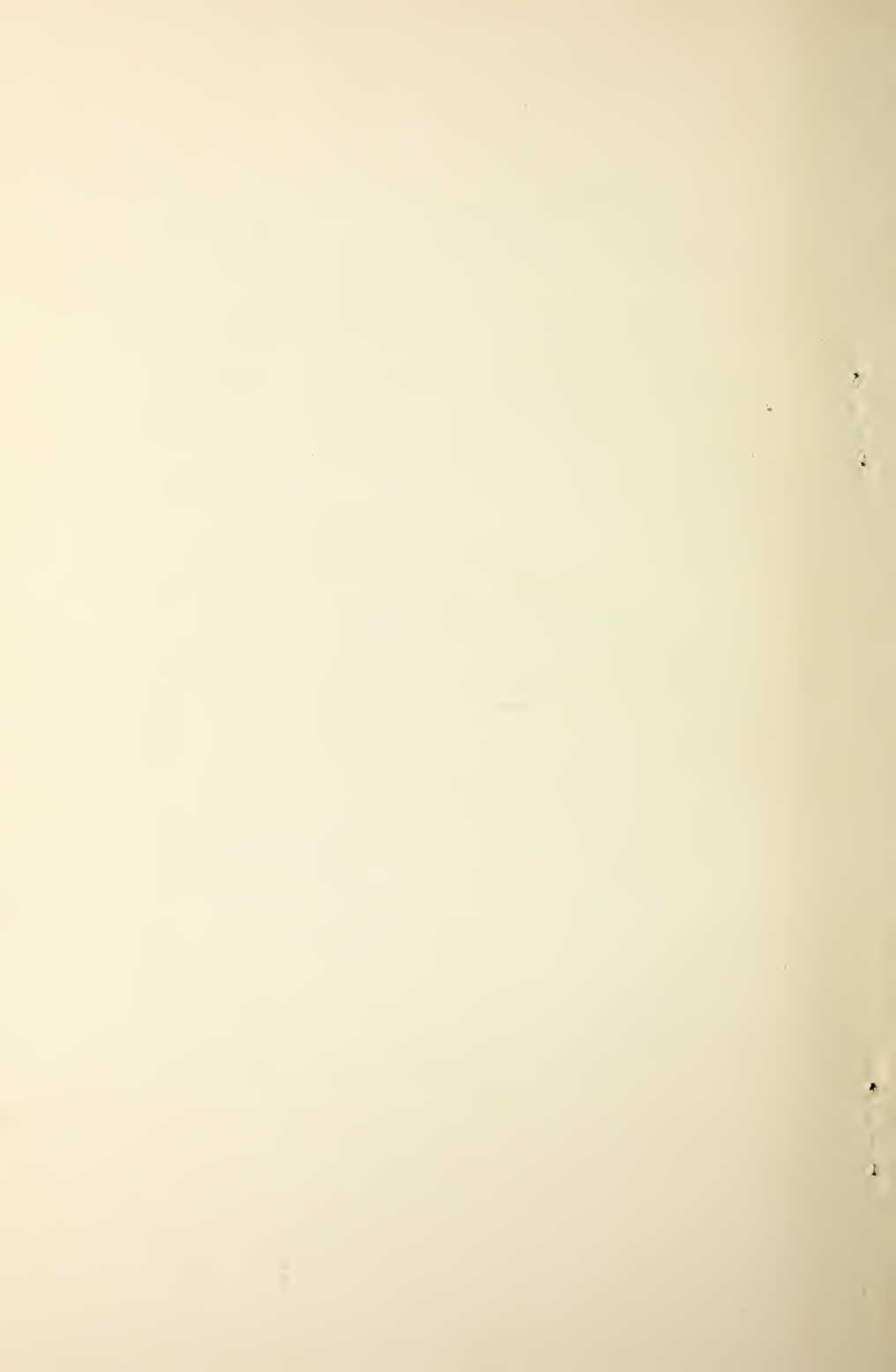
4. State or municipally owned and operated water terminals for the use of all transportation lines on equal terms.

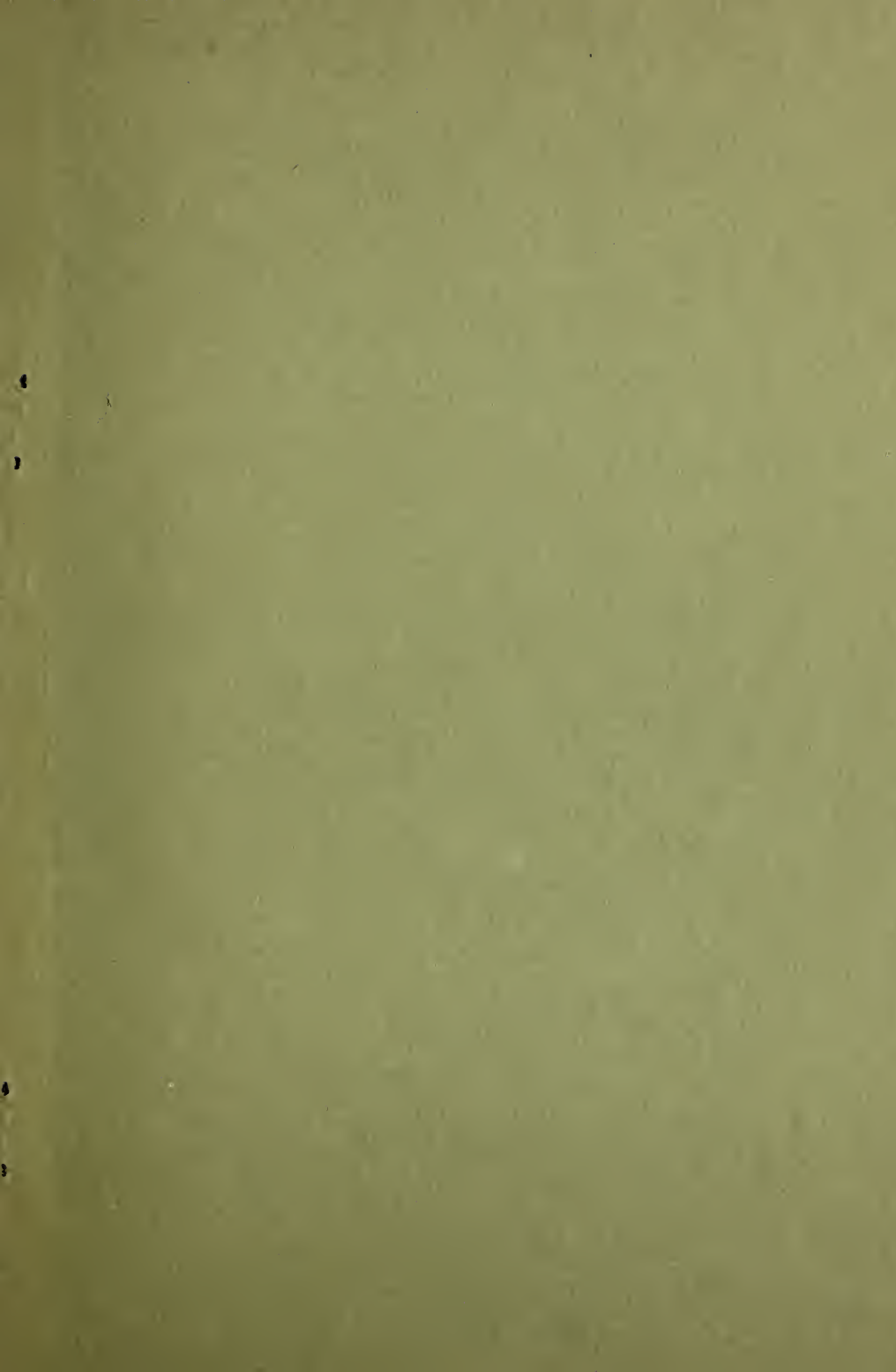
To these ends we urge upon the Federal, State and Municipal Governments the early passage of appropriate legislation.

FOURTH—We reaffirm our former declaration in favor of the creation of a Department of Public Works with a Cabinet Officer at its head as the best means of securing a comprehensive and systematic plan of waterway transportation, said department, of which the present corps of Army Engineers shall be a part, should have charge and control over all public works of this and of a similar character.

FIFTH—Whereas, certain railroads have by various agreements and other means secured control of what should be competing water carriers, and have either retired or are operating the same under a pretended competition, thereby depriving the public of the benefits of legitimate competition between rail and water routes, and whereas such conduct is ever more harmful to the public interest than similar pretended competition in practice between railroads, which latter has been by our Supreme Court declared to be in violation of the Sherman Anti-Trust Law, therefore, be it resolved that the attention of the Attorney General and of the Interstate Commerce Commission be called to such instances to the end that such practices may be discovered and their continuance prevented.









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Rivers and Harbors Congress

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